

## Message Text

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PAGE 01 EC BRU 01466 01 OF 02 082016Z

72

ACTION EUR-25

INFO OCT-01 IO-14 ISO-00 NEA-10 AGR-20 CEA-02 CIAE-00

COME-00 DODE-00 EB-11 FRB-02 H-03 INR-10 INT-08 L-03

LAB-06 NSAE-00 NSC-07 PA-04 RSC-01 AID-20 CIEP-02

SS-20 STR-08 TAR-02 TRSE-00 USIA-15 PRS-01 SPC-03

FEA-02 OMB-01 DRC-01 SAJ-01 /203 W

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R 081915Z MAR 74

FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC 6556

INFO AMEMBASSY BELGRADE

AMEMBASSY BONN

AMEMBASSY BUCHAREST

AMEMBASSY BUDAPEST

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY MOSCOW

AMEMBASSY PARIS

AMEMBASSY PRAGUE

AMEMBASSY ROME

AMEMBASSY SOFIA

AMEMBASSY WARSAW

USMISSION GENEVA

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LIMITED OFFICIAL USE SECTION 1 OF 2 EC BRUSSELS 1466

GENEVA FOR CSCE DEL

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PAGE 02 EC BRU 01466 01 OF 02 082016Z

E.O. 11652: N/A

TAGS: PFOR, ETRD, EEC, COMECON

SUBJ: EC COMMISSION VIEWS ON RELATIONS WITH COMECON

REF: EC BRUSSELS 1355 (NOTAL)

1. SUMMARY. SIR CHRISTOPHERE SOAMES REPORTED BRIEFLY TO THE MARCH 4 EC COUNCIL OF FOREIGN MINISTERS SESSION (REFTEL) ON THE STATE OF PLAY IN EC RELATIONS WITH COMECON (CEMA). HE NOTED THAT BECAUSE CERTAIN MISUNDERSTANDINGS APPEARED TO HAVE DEVELOPED WITH REGARD TO THE COMMUNITY'S REPLY TO THE APPROACH MADE TO THE COMMUNITY BY COMECON LAST AUGUST, IT MIGHT BE ADVISABLE FOR THE COUNCIL PRESIDENCY TO REITERATE THE COMMUNITY'S REPLY TO THE SECRETARY GENERAL OF COMECON IN MOSCOW. THE COMMISSION ALSO SUBMITTED TWO REPORTS TO THE COUNCIL, ONE ON THE EC'S TRADE WITH THE COMECON COUNTRIES, AND THE OTHER AN ANALYSIS OF THE NATURE AND POWERS OF COMECON. THE COUNCIL HAD ONLY A PRELIMINARY EXCHANGE OF VIEWS ON THESE MATTERS. IT AGREED TO DISCUSS THE SUBJECT OF RELATIONS WITH THE STATE TRADING COUNTRIES IN DEPTH AT THE COUNCIL SESSION SCHEDULED FOR APRIL 1-2. END SUMMARY.

2. IN AUGUST 1973, COMECON SECRETARY GENERAL FADEYEV PROPOSED INFORMALLY TO THE DANES (WHO THEN HELD THE EC COUNCIL PRESIDENCY) THAT THE EC AND COMECON CONSIDER WAYS IN WHICH CONTACT COULD BE ESTABLISHED BETWEEN THEM (COPENHAGEN 2095-NOTAL). THE COMMUNITY'S REPLY (DELIVERED TO FADEYEV BY THE DANISH AMBASSADOR IN MOSCOW) WAS, IN EFFECT, THAT IF COMECON WISHED TO ENTER INTO ANY DISCUSSIONS WITH THE COMMUNITY, IT SHOULD ADDRESS ITSELF TO THE EC COMMISSION. SUBSEQUENT TO THIS REPLY, THERE HAVE BEEN REPORTS THAT FADEYEV IS STILL WAITING FOR AN ANSWER FROM THE COMMUNITY. THE COMMISSION HAS MADE NO SECRET OF THE FACT THAT IT CONSIDERS THE BALL TO BE IN COMECON'S COURT AND SO STATED IN A PUBLIC STATEMENT BEFORE THE EUROPEAN PARLIAMENT IN FEBRUARY 1974 (EC BRUSSELS 962).

3. AT THE EC COUNCIL MEETING ON MARCH 4, EC COMMISSION VICE PRESIDENT SOAMES GAVE A STATUS REPORT ON EC-COMECON RELATIONS IN GENERAL AND MORE SPECIFICALLY ON THE QUESTION OF THE FADEYEV INITIATIVE. IN DISCUSSING THE COOPERATION AGREEMENTS THAT HAVE BEEN CONCLUDED BETWEEN EC MEMBER STATES AND CERTAIN COMECON MEMBER COUNTRIES, HE EMPHASIZED LIMITED OFFICIAL USE

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PAGE 03 EC BRU 01466 01 OF 02 082016Z

FIRST OF ALL THAT THE ADOPTION OF A COMMUNITY NOTIFICATION AND CONSULTATION PROCEDURE CONCERNING THESE COOPERATION AGREEMENTS WAS NEEDED URGENTLY. THIS PROCEDURE WOULD GUARANTEE COMPATIBILITY BETWEEN SUCH BILATERAL AGREEMENTS AND THE PROVISIONS OF THE EEC TREATY AND COMMON COMMUNITY POLICIES. MOREOVER, IT WOULD AVOID A SITUATION IN WHICH ONE EC MEMBER STATE WOULD TRY TO OUTBID ANOTHER MEMBER STATE BY OFFERING BETTER TERMS. (SEE EC A-477 OF DECEMBER 27, 1973, FOR A

DESCRIPTION OF THE PROPOSED PROCEDURE.) SOAMES NOTED THAT THE NOTIFICATION AND CONSULTATION PROCEDURE SHOULD BE APPLICABLE TO ALL ECONOMIC COOPERATION AGREEMENTS, NOT JUST TO THOSE WITH STATE TRADING COUNTRIES. SOAMES THEN DISCUSSED TRADE RELATIONS BETWEEN EC MEMBER STATES AND THE COMECON COUNTRIES. HE REMINDED THE MINISTERS THAT AS OF JANUARY 1, 1975, ALL TRADE AGREEMENTS BETWEEN THE EC MEMBER STATES AND THIRD COUNTRIES SHOULD BE COMMUNITY AGREEMENTS.

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PAGE 01 EC BRU 01466 02 OF 02 082025Z

72

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LIMITED OFFICIAL USE SECTION 2 OF 2 EC BRUSSELS 1466

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PAGE 02 EC BRU 01466 02 OF 02 082025Z

4. SOAMES CONCLUDED HIS REPORT BY DISCUSSING THE GENERAL STATE OF RELATIONS BETWEEN THE EC AND COMECON. HE TOLD THE MINISTERS THAT THE EC REPLY TO THE FADEYEV INITIATIVE, DELIVERED LAST SEPTEMBER IN MOSCOW (EC BRUSSELS 6008), APPEARED TO BE THE SUBJECT OF SOME MISUNDERSTANDING. HE SAID THAT COMECON HAD BEEN INFORMED THAT THE COMMUNITY "TOOK NOTE" OF COMECON'S DESIRE TO IMPROVE ITS RELATIONS WITH THE EC, AND SHOULD COMECON DESIRE TO PURSUE THE MATTER FURTHER, IT SHOULD APPROACH THE COMMISSION. SOAMES SAID THAT THIS WAS NOT A NEGATIVE REPLY, ALTHOUGH IN SOME QUARTERS IT HAD BEEN TAKEN AS SUCH. NOR WAS THE BALL STILL IN THE COMMUNITY'S COURT, SINCE AN ANSWER HAD BEEN DELIVERED TO FADEYEV, AND THE BALL WAS VERY MUCH IN COMECON'S COURT. SOAMES TOLD THE COUNCIL THAT HE PLANNED TO MAKE THESE FACTS CLEAR PUBLICLY NEXT WEEK IN STRASBOURG WHEN HE REPLIED TO A QUESTION ON EC-COMECON RELATIONS IN THE EUROPEAN PARLIAMENT. HE ALSO PLANNED TO SAY AT THAT TIME THAT IF COMECON WISHED TO TAKE THE SUBJECT FURTHER WITH THE COMMISSION, THE COMMISSION WOULD BE HAPPY TO UNDERTAKE EXPLORATORY DISCUSSIONS WITH COMECON ON THE AREAS OF POSSIBLE COOPERATION. SOAMES ALSO SAID THAT GIVEN THE APPARENT MISUNDERSTANDING OF THE COMMUNITY'S FIRST REPLY, IT MIGHT BE ADVISABLE FOR THE COUNCIL PRESIDENCY (THE GERMANS) TO REITERATE TO FADEYEV THE MESSAGE ORIGINALLY DELIVERED LAST SEPTEMBER BY THE DANES.

5. SOAMES ALSO PRESENTED TO THE COUNCIL TWO REPORTS PREPARED BY THE COMMISSION, ONE ON THE STATE OF TRADE RELATIONS BETWEEN THE EC AND THE COMECON COUNTRIES, THE SECOND AN ANALYSIS OF THE NATURE AND POWERS OF COMECON. THE SECOND OF THESE TWO REPORTS DESCRIBED COMECON AS AN ORGANIZATION WITH NO WELL-DEFINED INTERNATIONAL COMPETENCES AND WITH NO SUPRA-NATIONAL POWERS, AND STATED THAT IT ACTED ALMOST EXCLUSIVELY BETWEEN ITS MEMBER STATES RATHER THAN WITH THE OUTSIDE WORLD. AS A RESULT, ANY COOPERATION BETWEEN THE EC AND COMECON WOULD HAVE TO BE OF A FAIRLY GENERAL NATURE (FOR EXAMPLE, EXCHANGE OF STATISTICAL INFORMATION, INVESTIGATION OF MEDIUM AND LONG TERM ECONOMIC PROSPECTS, INDUSTRIAL COOPERATION IN THE FORM OF COMMON STANDARDS, AND POSSIBLY SOME ACTION IN THE SCIENTIFIC AND TECHNOLOGICAL FIELD).

6. THE MINISTERS HAD ONLY A SHORT AND PRELIMINARY DISCUSSION  
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PAGE 03 EC BRU 01466 02 OF 02 082025Z

FOLLOWING SOAMES' REPORT. THEY AGREED TO HOLD A DISCUSSION IN  
DEPTH AT THE NEXT COUNCIL OF FOREIGN MINISTERS ON APRIL 1-2.  
ACCORDING TO SOAMES' DEPUTY CHEF DE CABINET, THE COMMISSION IS  
UNCERTAIN AS TO WHETHER FADEYEV'S POSITION--THAT HE IS STILL  
AWAITING A REPLY--IS A TRUE MISUNDERSTANDING OR DELIBERATE.  
IF IT IS THE LATTER, IT PROBABLY STEMS FROM A RELUCTANCE TO TAKE  
A STEP THAT MIGHT BE INTERPRETED AS DE FACTO RECOGNITION OF THE  
COMMUNITY. IF THE FORMER, ACCORDING TO THE SAME SOURCE, RECENT  
PUBLICITY PLUS THE SOAMES STATEMENT NEXT WEEK IN THE EUROPEAN  
PARLIAMENT SHOULD CLARIFY THE SITUATION WITHOUT THE NEED FOR  
A REITERATION OF THE ORIGINAL REPLY TO FADEYEV IN MOSCOW.  
GREENWALD

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TARIFF NEGOTIATIONS, TRADE CONCESSIONS, INTERGOVERNMENTAL COOPERATION, FOREIGN MINISTERS MEETINGS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 08 MAR 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** golinofr  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** n/a  
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**Page Count:** 5  
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**Previous Handling Restrictions:** n/a  
**Reference:** EC BRUSSELS 1355 (NOTAL)  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** golinofr  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 28 MAR 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <28 MAR 2002 by collinp0>; APPROVED <04 JUN 2002 by golinofr>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** EC COMMISSION VIEWS ON RELATIONS WITH COMECON  
**TAGS:** PFOR, ETRD, EEC, COMECON  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005